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INTRODUCTION

The Mott Children's Health Center entered into contract number TP-97-25001-3 with the Michigan Family Independence Agency (FIA) to provide services to clients who are pregnant and/or parenting youth under the age of 21 and are eligible for the Temporary Assistance to Needy Families (TANF) program. The TP contract was to provide home visits and develop a Comprehensive Assessment and Service Plan to serve the needs of the teen. The program also provides Case Management, Crisis Intervention Services to Minor Parents and a Teen Father Program. Mott Children's Health Center was reimbursed for actual costs incurred through submissions of monthly billings to FIA. The original contract totaled \$200,000 and covered the period October 1, 1999 through September 30, 2000. The contract was extended and an additional \$85,834 was added to cover the period October 1, 2000 through February 28, 2001.

SCOPE

The Office of Internal Audit performed an audit of Mott Children's Health Center to determine if the agency's billings were accurate, and if costs billed were allowable and properly supported by the accounting records and supporting documentation in accordance with the terms of the contract. We also reviewed a sample of case records to determine that service was being provided and properly documented. Our audit covered the period October 1, 1999 through January 31, 2001. Our audit was performed in accordance with Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors.

EXECUTIVE SUMMARY

Based on our audit, we conclude that Mott Children's Health Center has underbilled FIA \$681. Our report recommends the Field Operations Administration allow Mott to submit

a revised billing report for fiscal year ending 9/30/00 to recoup the additional cost incurred.

AUDITEE RESPONSE

The findings and recommendations included in this report have been shared with the management of Mott Children's Health Center. They indicated that they are in general agreement with the report.

FINDINGS AND RECOMMENDATIONS

Salaries

1. Mott Children's Health Center incurred actual salary costs of \$137,237. The budget and billed amount for salaries was \$134,213. However, all but \$681 of the contract has been billed and paid.

WE RECOMMEND that the Field Operations Administration allow Mott Children's Health Center to submit a revised September 30, 2000 billing to include the \$681 for salaries to bill the full amount of the contract.

CONTRACT FY 2001

OCTOBER 1, 2000-JANUARY 31, 2001

Salaries

2. Mott Children's Health Center underbilled FIA \$8,164.14 for salaries. The actual salary cost incurred totaled \$57,690.09 and the billed amount was \$49,526.46.

Fringe Benefits

3. Mott Children's Health Center overbilled FIA \$520.54 for fringes due to the actual cost being less than the billed amount.

Communication

4. Mott Children's Health Center overbilled FIA \$346.46 for communication charges due to unsupported cell phone costs of \$323.34 and pager expense of \$23.12 for an employee who did not work on this program. Mott Children's Health Center discontinued billing for the cell phone costs and the pager when informed of this finding.

WE RECOMMEND that Field Operations Administration instruct Mott Children's Health Center to bill actual and allowable costs for the contract.

Case File Review

5. We selected 12 out of 107 case records for review at Mott Children's Health Center-TP program. One case record could not be located. The eleven cases records reviewed contained documentation that services were provided in accordance with the terms of the contract.